

Message Text

LIMITED OFFICIAL USE

PAGE 01 HONG K 07812 031022Z

14

ACTION EA-14

INFO OCT-01 EUR-25 ADP-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-10 PA-03 RSC-01 PRS-01 SS-15

USIA-15 CU-04 NIC-01 EB-11 COME-00 STR-08 TRSE-00

RSR-01 /133 W

----- 128496

R 030910Z AUG 73

FM AMCONSUL HONG KONG

TO SECSTATE WASHDC 7803

AMEMBASSY MOSCOW

INFO AMEMBASSY TAIPEI

AMEMBASSY TOKYO

CINCPAC

LIMITED OFFICIAL USE HONG KONG 7812

CINCPAC FOR POLAD

SUMMARY: THE PRC AND USSR CONCLUDED THEIR ANNUAL TRADE AND PAYMENTS AGREEMENTS FOR 1973 IN MOSCOW ON AUGUST 1. ACCORDING TO PRESS REPORTS, NEW DEPARTURES INCLUDE THE CONSTRUCTION OF A SOVIET-SUPPLIED POWER PLANT IN CHINA AND A TEN PERCENT REDUCTION IN THE LEVEL OF TRADE FROM 1972. END SUMMARY

1. CHINA AND THE SOVIET UNION CONCLUDED THEIR ANNUAL TRADE AND PAYMENTS AGREEMENT FOR 1973 IN MOSCOW ON AUGUST 1 (NCNA). THE LEVEL OF THE SIGNING, ATTENDANCE AT THE CEREMONY AND THE ORDER OF EVENTS AS DESCRIBED BY NCNA WERE IDENTICAL WITH LAST YEAR. SIGNED BY FOREIGN TRADE VICE MINISTERS IVAN GRIGHIN AND CHAI SHU-FAN, THE AGREEMENT REPORTEDLY PROVIDES FOR DELIVERY OF ELEVEN SOVIET AN-24 CARGO PLANES AND THE CONSTRUCTION OF A SOVIET-SUPPLIED POWER PLANT IN CHINA. IN RETURN THE PRC WILL SHIP KNITWEAR, TEXTILES AND FARM PRODUCE INCLUDING MEAT (AFP MOSCOW, AUGUST 1).

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 HONG K 07812 031022Z

ACCORDING TO ANOTHER PRESS REPORT, FOR UNEXPLAINED "TECH-

NICAL REASONS" THE VALUE OF THIS YEAR'S TRADE WILL BE TEN PERCENT LOWER THAN THE \$234 MILLION LEVEL OF 1972(REUTER MOSCOW, AUGUST 2).

2. ASSUMING THE PRESS REPORTS ARE CORRECT, THIS WILL BE THE FIRST INSTANCE OF A SOVIET WHOLE PLANT EXPORT TO CHINA SINCE THE SINO-SOVIET RIFT AND MARKS A SMALL QUALITATIVE IMPROVEMENT IN BILATERAL ECONOMIC RELATIONS WITH THE SOVIETS. INCLUSION OF A COMPLETE PLANT IMPORT IN THIS YEAR'S AGREEMENT IS AN UNEXPECTED EXPANSION OF THE LIST OF FOREIGN SUPPLIERS TO THE PRC. (WE KNOW OF 18 COMPLETE PLANTS PURCHASED FROM JAPANESE, U.S. AND EUROPEAN SUPPLIERS SINCE DECEMBER 1972.)

3. ONE ELEMENT IN THE REDUCED VALUE OF THE CURRENT AGREEMENT MAY BE THE LOWER COST OF THE TYPE OF SOVIET AIRCRAFT PURCHASED THIS YEAR. ACCORDING TO AN EMBASSY MOSCOW REPORT (REF B), THE CHINESE WERE INTERESTED IN SMALL PLANES BUT DID NOT PURCHASE ADDITIONAL IL-62S. FURTHERMORE, PURCHASES OF IL-62S MIGHT HAVE RAISED THE LEVEL OF LAST YEAR'S TRADE TO AN ARTIFICIALLY HIGH LEVEL.

4. FOR MOSCOW: WOULD APPRECIATE ANY ADDITIONAL DETAILS OR ATMOSPHERICS RELATED TO THE NEW AGREEMENT.
OSBORN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE AGREEMENTS
Control Number: n/a
Copy: SINGLE
Draft Date: 03 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: elyme
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973HONGK07812
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: HONG KONG
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730860/aaaabruy.tel
Line Count: 86
Locator: TEXT ON-LINE
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: elyme
Review Comment: n/a
Review Content Flags:
Review Date: 23 JUL 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23-Jul-2001 by reddocgw>; APPROVED <04-Dec-2001 by elyme>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: n/a
TAGS: ETRD, CH, UR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005